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TOP STORY

Economic study to analyze impact of Palisades closure

Van Buren officials ponder economy after power plant shutdown

By BECKY KARK For The Herald-Palladium

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Palisades Nuclear Power Plant, pictured above in Covert Township, is expected to close in 2022. An economic study is being issued to review the ramifications of the plant's closure.

Don Campbell / HP file photo

COVERT — In less than a year, the economic landscape of Van Buren County is expected to change significantly with the closure of the Palisades Nuclear Power Plant.

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In an effort to identify potential problems, the Southwest Michigan Planning Commission plans to conduct a study to determine the pros and cons the county faces in addressing the Palisades closure.

“The study will be conducted and written by the UM-Economic Growth Initiative with support from Kinexus (Group),” said John Faul, former Van Buren County administrator who was named project director for the Palisades Recovery Plan. “We hope to have it finished by early 2022, but it is dependent upon gathering information, such as worker demographics.”

Once the study is complete, Faul and Kinexus will analyze Palisades’ impact on Van Buren County and Southwest Michigan to determine the ramifications of what the closure will mean.

The Southwest Michigan Planning Commission received a \$969,000 grant from the U.S. Economic Development Administration this summer – along with more than \$240,000 in matching funds – to pay for economic development efforts for the next three years to deal with any fallout from the closure of the plant.

A portion of the grant will fund the study, Faul said.

“From there we will be able to identify gaps, and combined with an analysis of what strengths we might be able to build upon, develop an economic recovery plan,” Faul said. “Using this plan will assist us in targeting funding sources to implement the plan. Because the State Department of Treasury and MSHDA (Michigan State Housing Development Authority) are at the table, they have pledged to help find specific grant opportunities once the needs are known.”

One of the most pressing concerns at this point is the loss of employees, who have come to call Southwestern Michigan home.

"It's more than jobs and taxable income, rather it's about employees who live here and provide \$200 million annually to Southwest Michigan in total economic impact. Employees who are the social fabric of the communities," Faul said last month during a report to the South Haven City Council.

Losing Palisades

Located near the Lake Michigan shoreline in Covert Township, Palisades employs about 600 workers. It also has an additional 1,000 employees during fueling outages, funnels \$8 million in property tax revenue throughout the county each year and donates about \$350,000 each year to various nonprofit organizations throughout the county.

Faul has made it his priority to help the county's communities and governmental units make up for the loss of Palisades.

The plant, which first went online 50 years ago, will cease operations in May 2022, when its owner, Entergy Corp., will turn over operations to Holtec Corp., which will be in charge of decommissioning the plant and the site over the next 20 years.

In August, South Haven council members and other local residents are beginning to show concern over how many Palisades workers from the area will lose their jobs.

"The labor details are very fluid because the plant is still operating," Faul said. "Basically, there are approximately 600 employees. Some will remain – about 250 – for the decommissioning process. Some will relocate with Entergy. Some will stay in the area and work elsewhere – as an example, the Cook Nuclear Plant in Bridgeman; and some will retire."

Faul estimates about 150 workers will not fit into any of these categories and be left looking for employment elsewhere.

To address that issue, Faul plans to work with Entergy, Michigan Works and other state groups to apply for funds to help retrain workers and create new jobs and companies in Southwest Michigan.

Becky Kark